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SIPDIS

STATE FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [AU](#) [ETTC](#) [KOMC](#) [KS](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON APPLICATION 050120453

REF: A) STATE 95391

¶1. Per reftel, Post contacted Yeonhab Precision and the Defense Acquisition Program Administration (DAPA) by email and phone. A site visit was not possible due to resource constraints.

¶2. Mr. Lee Kwan-young at Yeonhab Precision informed Post that the company was established in 1980. The firm's main products are cable assemblies, such as wire harnesses, cable connectors, electronic equipment and interconnection wires. The company has been a DAPA-listed manufacturer of defense items since 1995.

¶3. Since its foundation Yeonhab Precision has been headed by Mr. Kim In-sool, President and CEO. Its other principal officers are Duck-soo KIM, Senior Executive Vice President, who has more than 10 years of professional experience at the Korea Engineering Consulting Corporation, and Chang-koo LEE, a retired ROK Army Colonel and head of Yeonhab's Research and Development Center.

¶4. Yeonhab Precision's main clients include ROK Army, Navy and Air Force located in Nonsan, Jinhae and Daejeon in Korea, respectively. The company maintains overseas sales agents in the United States, Australia, Japan and Europe. More information on the company can be found at www.yeonhab.co.kr.

¶5. Yeonhab Precision maintains computerized database systems that record its sales and a highly restricted and secured warehouse to store all sensitive items.

¶6. Yeonhab Precision also confirmed to Post that the items in question will be assembled into power distribution boxes that will be incorporated into the Korean Amphibious Assault Vehicle (KAAV) produced by Samsung Techwin, a DAPA-registered company.

¶7. Mr. Hong Ik-sun, Assistant Deputy Director of the Special Weapons Contract Team at DAPA confirmed that the completed KAAV will be delivered to the end-user the ROK Marine Corps. The completed KAAVs are scheduled for delivery from 2008-2010. Based on Post's conversation with DAPA officials, Yeonhab Precision is a long standing supplier and reliable recipient of USML items.

¶8. Post will separately send copies of the supporting documents and photos of the Yeonhab Precision warehouse by email. The company is fully aware of the importance of the restrictions on USML items.

STEPHENS